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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Charles Eglinton

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EXAMINER

UBER, NATHAN C

ART UNIT

PAPER NUMBER

4143

MAIL DATE

DELIVERY MODE

01/07/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/708,029	Applicant(s) EGLINTON, CHARLES	
	Examiner Nathan C. Uber	Art Unit 4143	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 February 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☒ Claim(s) 10 and 11 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 03 February 2004 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☒ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>3 February 2004</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of Claims

1. This action is in reply to the application filed on 3 February 2004.
2. Claims 1-20 are currently pending and have been examined.

Information Disclosure Statement

3. The Information Disclosure Statement filed on 3 February 2004 has been considered. An initialed copy of the Form 1449 is enclosed herewith.

Drawings

4. Figures 1 and 2 should be designated by a legend such as --Prior Art-- because only that which is old is illustrated. See MPEP § 608.02(g).
5. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference character "115" has been used to designate *tier 1 affiliates*, *tier 2 affiliates* and *affiliate*.
6. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference characters "120" and "160" have both been used to designate *clearinghouse* (see ¶0107).
7. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they do not include the following reference signs mentioned in the description: *product 145*, *automated registration system 150* and *advertiser's site 140* (see ¶¶0087, 0088 and 0108 respectively).
8. The drawings are objected to under 37 CFR 1.83(a) because figures 8 and 10 specifically fail to show the elements represented in the flow chart as described in the specification. The figures are just empty boxes connected by arrows. Any structural detail that is essential for a proper understanding of the disclosed invention should be shown in the drawing. MPEP § 608.02(d).
9. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one

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figure is being amended. The figure or figure number of an amended drawing should not be labeled as "amended." If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

Specification

10. The disclosure is objected to because of the following informalities: the specification is replete with grammatical errors that make the specification difficult to read and understand, and several paragraphs are simply repeated verbatim throughout the specification. The above informalities diminish the clarity and conciseness of the specification (see for example ¶0017 where two spaces are missing *distribute, anduniquely Identified... sub-affiliates andcustomers*). Appropriate correction is required.
11. The use of the trademarks CompuServe, Prodigy, America Online, Windows, Perl, ASP, Javascript and eBay has been noted in this application. They should be capitalized wherever they appear and be accompanied by the generic terminology. Although the use of trademarks is permissible in patent applications, the proprietary nature of the marks should be respected and every effort made to prevent their use in any manner that might adversely affect their validity as trademarks.

Oath/Declaration

- 12.** The oath or declaration is defective. A new oath or declaration in compliance with 37 CFR 1.67(a) identifying this application by application number and filing date is required. See MPEP §§ 602.01 and 602.02.

The oath or declaration is defective because:

It was not executed in accordance with either 37 CFR 1.66 or 1.68, it requires proper signatures.

Claim Objections

- 13.** Claims 10 and 11 are objected to because of the following informalities: they contain numerous spelling and grammatical errors such as missing prepositions in claim 11 *distribution said code*. Appropriate correction is required.

Claim Rejections - 35 USC § 112

- 14.** The following is a quotation of the second paragraph of 35 U.S.C. 112:
- The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.
- 15.** Claims 1-20 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.
- 16.** Claims 1-20 are vague and indefinite because the claims all employ the passive voice using the phrase “having a/said...” followed by a noun and a verb. Whenever the passive voice is employed it is unclear whom or what is doing an action. Here the nouns used maybe directed to people such as “user” or in animate objects such as “advertisement”. While it is conceivable that a user can complete an action it unlikely that an advertisement can complete an action. As claimed one of ordinary skill cannot determine whether the system is ultimately responsible for the actions of the claims or whether the system requires interaction and if so, from whom/what.

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17. Claims 1, 4-6, 9, 11-16, 17, 19 and 20 are replete with limitations that lack proper antecedent basis. They are too numerous to list individually, see for example *said affiliate* in claim 1.
18. Claims 5, 12 and 14 are replete with vague terms that render the claims indefinite. Terms such as *tangible print media* are both undefined and tend to lack antecedent bases.
19. Claim 12 is rejected as failing to define the invention in the manner required by 35 U.S.C. 112, second paragraph. The claim is narrative in form and replete with indefinite and functional or operational language. The structure, which goes to make up the device, must be clearly and positively specified. The structure must be organized and correlated in such a manner as to present a complete operative device. The claim must be in one sentence form only. Note the format of the claims in the patents cited.
20. Where applicant acts as his or her own lexicographer to specifically define a term of a claim contrary to its ordinary meaning, the written description must clearly redefine the claim term and set forth the uncommon definition so as to put one reasonably skilled in the art on notice that the applicant intended to so redefine that claim term. *Process Control Corp. v. HydReclaim Corp.*, 190 F.3d 1350, 1357, 52 USPQ2d 1029, 1033 (Fed. Cir. 1999). The term “tangible print media” in claims 3 and 12 are used by the claim to mean “virtual advertising”, while the accepted meaning is “physical/printed form.” The term is indefinite because the specification does not clearly redefine the term.
21. Claim 10 provides for the use of “a computer”, but, since the claims do not set forth any steps involved in the method/process, it is unclear what method/process applicant is intending to encompass. A claim is indefinite where it merely recites a use without any active, positive steps delimiting how this use is actually practiced.

Claim Rejections - 35 USC § 101

22. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

23. Claims 1 and 17 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Both claims are directed to *an internet-based referral system*. "System" is commonly used to denote a machine. Something that is *internet-based* is not a physical thing and therefore cannot be a system or machine for purposes of 35 U.S.C. 101. Internet-based applications, programs and code are not statutory subject matter. Alternatively, processes and "computer-executable programs tangibly embodied on a computer readable medium" may be considered statutory subject matter under 35 U.S.C. 101.
24. Claims 1-20 are rejected under 35 U.S.C. 101 because the claims are directed to neither a "process" nor a "machine," but rather embrace or overlap two different statutory classes of invention set forth in 35 U.S.C. 101 which is drafted so as to set forth the statutory classes of invention in the alternative only. See *Ex parte Lyell*, 17 USPQ2d 1548 (Bd. Pat. App. & Inter. 1990), at 1551. See also MPEP 2173.05(p)(II). Every claim contains the language "system," which denotes a machine, and like phrase "having said user select," which denotes some sort of method or process.
25. Claim 10 is rejected under 35 U.S.C. 101 because the claimed recitations of a use, without setting forth any steps involved in the process, results in an improper definition of a process, i.e., results in a claim which is not a proper process claim under 35 U.S.C. 101. See for example *Ex parte Dunki*, 153 USPQ 678 (Bd.App. 1967) and *Clinical Products, Ltd. v. Brenner*, 255 F. Supp. 131, 149 USPQ 475 (D.D.C. 1966).

Claim Rejections - 35 USC § 102

26. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:
- A person shall be entitled to a patent unless –
- (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

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27. Claims 1-10 and 12-19 are rejected under 35 U.S.C. 102(b) as being anticipated by Messer, US 5,991,740.

Examiner's Note: The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

Claim 1:

Messer, as shown, discloses the following limitations:

- *having a user connect to a website* (see at least column 5, line 17-18),
- *having said user select a webpage or electronic file transfer* (see at least column 5, line 17-19),
- *allowing virtual advertising to be delivered to said user from an Advertiser or his agent* (see at least column 5, line 21-22),
- *having said affiliate receiving said virtual advertising from an advertiser* (see at least column 7, line 53-55),
- *having said advertising containing a code to identify the source of said advertising and* (see at least column 8, line 57-58),
- *having an advertiser track said advertising through said code* (see at least column 3, line 4-5).

Claim 2:

Messer, as shown, discloses the following limitation:

- *having said code being a unique identifier code* (see at least column 8, line 57-58).

Claim 3:

Messer, as shown, discloses the following limitation:

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- *having said advertising being tangible print media* (see at least column 6, line 62).

Claim 4:

Messer, as shown, discloses the following limitation:

- *having said advertising dynamically merged with a code that will identify the advertiser, the affiliate, the item or items for sale, or any combination of these* (see at least column 8, line 57-58).

Claim 5:

Messer, as shown, discloses the following limitation:

- *having said advertisement placed in the tangible world by affiliates* (see at least column 8, line 65-66).

Claim 6:

Messer, as shown, discloses the following limitation:

- *having said affiliates receive compensation based on said advertisement* (see at least column 4, line 47-49).

Claim 7:

Messer, as shown, discloses the following limitation:

- *having said affiliates select from a plurality of products and services to place an advertisement for* (see at least column 7, line 54-55).

Claim 8:

Messer, as shown, discloses the following limitation:

- *having a plurality of affiliate tiers* (see at least column 8, line 24).

Claim 9:

Messer, as shown, discloses the following limitation:

- *having said databases contain information about said affiliate and said advertiser* (see at least column 7, line 56-60, "registration").

Claim 10:

Messer, as shown, discloses the following limitation:

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- *having said user connects to the system through the use of a computer through the Internet (see at least column 1, line 18-23).*

Claim 12:

Messer, as shown, discloses the following limitations:

- *having said advertisement modified automatically (see at least column 6, line 59-65),*
- *by using a computer language on demand, before said tangible print advertisement is printed by the user's computer (see at least column 6, line 24, "software").*

Claim 13:

Messer, as shown, discloses the following limitation:

- *having said advertisement including a hyper textual referral link (see at least column 8, Table 1).*

Claim 14:

Messer, as shown, discloses the following limitation:

- *having said hyper textual referral link or having an Internet "cookie" which transmits a unique code which identifies the affiliate and or Advertiser (see at least column 8, Table 1).*

Claim 15:

Messer, as shown, discloses the following limitation:

- *having said affiliate receiving compensation for products purchased as a result of the referral (see at least column 9, line 12-14).*

Claims 16 and 19:

Messer, as shown, discloses the following limitation:

- *having said system having a clearinghouse function for maintaining said affiliate and advertiser's accounts (see at least column 5, line 4-9).*

Claim 17:

Messer, as shown, discloses the following limitations:

- *having a user connect to a website (see at least column 5, line 17-18),*

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- *having said user select a URL or webpage (see at least column 5, line 17-19),*
- *allowing virtual advertising to be delivered to said user from an affiliate (see at least column 5, line 21-22),*
- *having said affiliate receiving said virtual advertising from an advertiser (see at least column 7, line 53-55),*
- *having said advertising containing a code to identify the source of said advertising (see at least column 8, line 57-58),*
- *having an advertiser track said advertising through said code (see at least column 3, line 4-5),*
- *having said code being a unique identifier code (see at least column 8, line 57-58),*
- *said advertising dynamically merged with a code that will identify who placed the advertisement (see at least column 8, line 57-58),*
- *having said advertisement placed by affiliates and (see at least column 8, line 65-66),*
- *having said affiliates receive compensation based on said advertisement (see at least column 4, line 47-49).*

Claim 18:

Messer, as shown, discloses the following limitation:

- *having said affiliates select from a plurality of products and services to place an advertisement for (see at least column 7, line 54-55).*

Claim Rejections - 35 USC § 103

- 28.** The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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29. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

30. **Examiner's Note:** The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

31. Claims 11 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Messer, US 5,991,740, in view of Barber, US 6,289,318 B1.

Claims 11 and 20:

Messer discloses the limitations as shown in the rejections above. Messer does not disclose the following limitations, however Barber, as shown, does:

- *having Tier- 1 affiliate and Tier-2 affiliate (see at least column 3, line 27),*
- *where Tier- 1 affiliates will get a portion of the commissions that are paid to the Tier-2 affiliate the result of sales and leads generated from Tier-2 affiliate's distribution said code (see at least column 3, line 36-38).*

It would have been obvious to one having ordinary skill in the art at the time the invention was made to track additional tiers of referrals (i.e. referrals to the referring website) and to compensate affiliates based on their tier in the referral chain because this "provides compensation to more than the merchant operating the web site a consumer visits just before

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visiting the website of a paying merchant... [it provides] multi-level commissioned advertising” (Barber, Column 4, line 54-59) and because it would provide a “robust mechanism to... compensate or credit merchants whose web sites were possibly instrumental in the consumer ultimately viewing the particular page.”

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Conclusion

- 32.** Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to **Nathan C Uber** whose telephone number is **571.270.3923**. The Examiner can normally be reached on Monday-Friday, 9:30am-5:00pm. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **James A Reagan** can be reached at **571.272.6710**.
- 33.** Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair> <<http://pair-direct.uspto.gov>>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at **866.217.9197** (toll-free).
- 34.** Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington, D.C. 20231

or faxed to **571-273-8300**.

- 35.** Hand delivered responses should be brought to the **United States Patent and Trademark Office Customer Service Window**:

Randolph Building

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Alexandria, VA 22314.

/Nathan C Uber/ Examiner, Art Unit 4143

28 November 2007

/James A. Reagan/Supervisory Patent Examiner, Art Unit 4143